



# New Castle Crier

*The official newsletter of New Castle City*

Special Edition

New Castle, Delaware

February 2012

## City Council considering Charter changes

Since mid-2011, a committee has held open meetings to review the City Charter and recommend changes to the City Council. Committee members were appointed by the Council and include Chair Dr. Genevieve L. Miller (former City Council President), John Houben (former Mayor), citizens Josephine Moore and James Vincent and City Solicitor Daniel R. Losco.

**On Tues., February 28 at 6 p.m. at the New Castle Senior Center (400 South St.), New Castle City citizens are encouraged to attend and participate in a Public Hearing on proposed City Charter changes.**

The City Council met in workshop sessions to discuss proposed Charter changes on January 24, January 31 and February 7. On February 14, a public hearing was held where Council members listened to citizens, both in opposition to, and in favor of, the Charter changes.

A second public hearing on the proposed Charter changes will be held at 6 p.m. on Tuesday, February 28 at the New Castle Senior Center (400 South Street). **All New Castle residents are invited and encouraged to attend and participate.**

At that same meeting after the Hearing, City Council members will consider a Resolution that the proposed Charter changes shall be forwarded to the Delaware State General Assembly for their consideration. It is important to note that City Council members do not have the power or authority to change the City Charter. Instead, the City Council Resolution requests that the General Assembly approve the proposed changes, in accordance with Delaware Law.

As has been discussed in multiple meetings, there are a number of relatively minor changes being considered and two

major changes. The two major items cover terms of office for elected officials and the ability of the City to borrow funds.

### **Two major changes being proposed relate to terms of office for elected officials and the ability of the City to borrow money.**

Relative to the terms of office, currently the Charter stipulates that all terms shall be two years, which also means that no Council member terms are staggered. Staggered terms are often viewed as a preferred method of how a local government is best organized, providing a level of continuity on the Council after each election.

The proposal being considered is to change to four-year staggered terms. Another important note, however, is that this provision will not take effect until following the election in 2013. This **will not** change the two-year term for current elected officials, whose terms end in April of 2013.

Concerning borrowing, the main consideration has been that the current Charter provision requires a referendum for any City borrowing. The proposal is to modify that to allow, under limited special circumstances, the City Council to approve borrowing with a Resolution approved by at least two-thirds of the full Council membership.

Following are Executive Summary segments, prepared by City Solicitor Losco, of some of the changes being considered to the Charter. Copies of the complete documents are available free at the City Administration office at 220 Delaware Street.

### **Executive Summary:**

#### **Proposed City Charter changes**

The overall goals of the Committee included modernizing the Charter language, correcting for inconsistencies

with State laws and constitutional principles and clarifying the powers and procedures of City government.

**Section 2. Establishment of Municipal Corporation:** This section confirms the continued existence of New Castle as a municipal corporation and changes the official City name from the "Mayor and Council of New Castle" to the "City of New Castle".

**Go to the City Web site at:  
NewCastleCity.Delaware.gov  
to see the full text of the proposed new Charter and the complete Executive Summary.**

### **Section 4. Officers, Qualifications**

**and Salaries:** The section replaces old Section 3 of the current Charter. It deletes the unconstitutional requirement that the Mayor and Councilpersons be a "freeholder". It also clarifies qualifications for two existing City appointments: the City Solicitor and the City Engineer, and makes clear that they are appointed by and serve at the pleasure of Council. This section also permits Council to determine the salaries of elected officials by ordinance, but no raise ordained by Council may become effective until the following election.

### **Terms of Office for Elected Officials**

**Section 5. Time of Elections:** This Section was the subject of lengthy debate by the Committee. The Committee sought a means of increasing the terms of Mayor and Council to three or four years, while also providing for a staggered Council to ensure continuity on Council from election to election. However, staggered three-year terms would mean that elections would be required every year. Four-year staggered terms would require an election every two

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# Proposed Charter changes

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years, the same as presently exists. The Committee voted to recommend four year staggered terms. ***Staggered four-year terms would not commence until the 2013 City elections and would not affect the current two-year terms of the sitting Council.***

**Section 9. Vacancies:** A revision proposed requires the automatic removal of a City officer convicted of a non-appealable felony. Also, a Councilperson may, by resolution following notice and a hearing, be removed from office for missing more than one-third of Council's regularly scheduled meetings in any calendar year.

## ***Borrowing***

The City Council reviewed the recommendations of the Committee and debated a number of options over the course of four meetings. The proposal is to adopt a three-tiered system, as follows:

- Short-term borrowing (13 months) up to \$500,000 may be approved by Council Resolution, requiring at least four affirmative votes.
- Borrowing for capital expenses up to 1.2% of the total assessed value of the City may be approved by Council Resolution, requiring at least four affirmative votes.
- All other borrowing outside of the parameters of the first two tiers must be approved by voters.

Following are excerpts of the proposed language:

### **Section 20. Borrowing for Current Operating Expenses**

Whenever the needs of the City shall require more money than is, at the time, in the City treasury from current receipts, the Council shall be authorized and empowered to anticipate current revenue by borrowing such amounts as are needed. The aggregate amount of outstanding principal from any such borrowing or borrowings under this subparagraph shall not exceed \$500,000. Any borrowings under this paragraph shall, by their terms, be repayable in full within (13) months of the date of each such borrowing or the maximum time period permitted under Federal tax law, whichever greater.

To exercise the power aforesaid the Council shall adopt a resolution to that effect, which resolution shall be by roll call and require the affirmative vote of at least a two-thirds majority of all members of the Council. Such short-term debt shall not be considered as part of the bonded debt of the City when limitations under indebtedness, as set forth elsewhere in this Charter, are computed.

### **Section 21. Borrowing for Capital Expenses**

a. The Council of the City of New Castle shall have the power to borrow upon the full faith and credit of said City, a sum or sums not to exceed one and two-tenths percent (1.2%) of total assessed value of the real estate in said City in principal amount outstanding at any one time, for municipal purposes of any character whatsoever, pursuant to a resolution, passed by a two-thirds majority of all members of Council, and give its obligation therefore, subject to a twenty percent (20%) borrowing limitation set forth in Section 21(b). The

aggregate principal amount of debt outstanding from any such borrowing or borrowings under Section 21(a) shall at no time exceed five (5) percent of total assessed value of the real estate in said City. Anything to the contrary herein notwithstanding, the Council of the City of New Castle shall have no authority under this Section 21 (a) to borrow for purposes of funding the construction of a pier or wharf on the banks of the Delaware River at the terminus of Delaware Street in the City.

b. The Council of the City of New Castle may borrow money for municipal purposes of any character whatsoever, upon the full faith and credit of said City, secured by revenues pledged to secure and repay such indebtedness, or both, and issue bonds or other evidence of indebtedness, but in no case shall the total indebtedness of every kind (including amounts borrowed pursuant to Section 21(a), but exclusive of amounts payable solely from revenues or borrowed pursuant to Section 20) exceed twenty percent (20%) of the then last assessed value of all real estate in said City. Before borrowing any sums (other than sums borrowed pursuant to Section 20 or Section 21(a) hereof) the Council shall submit to the qualified voters of said City the question of borrowing such sum or sums of money, and such borrowing shall not be authorized unless first approved by a majority of the votes cast at a special election to be held for that purpose.

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***Anyone with comments or questions should contact City Administrator Cathie Thomas at 322-9812, or email: CathrynThomas@NewCastleCity.org.***

Mayor & Council of New Castle  
220 Delaware Street  
New Castle, Delaware 19720